



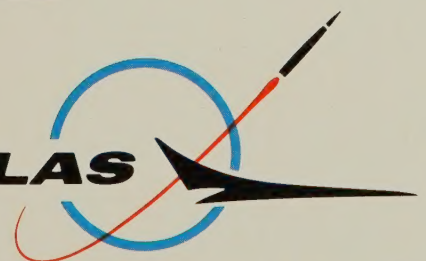
1977

ANNUAL REPORT

31 DECEMBER 1977



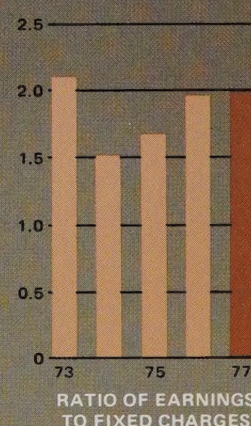
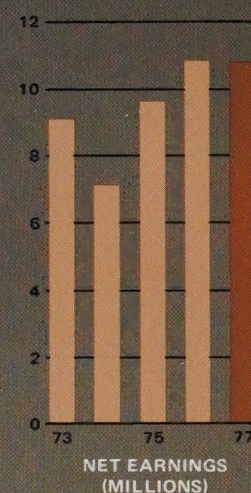
MCDONNELL DOUGLAS



FINANCE CORPORATION

HIGHLIGHTS

YEARS ENDED 31 DECEMBER	1977	1976
Operating income	\$ 38,345,474	\$ 37,912,302
Net earnings	10,691,414	10,807,162
Volume of new business	117,281,345	56,149,213
Dividends paid	8,000,000	8,000,000
Shareholder's equity on 31 December	105,951,962	103,260,548
Net investment in finance receivables (31 Dec.)	375,985,244	379,100,692
Total assets (31 Dec.)	455,486,511	400,262,313
Net earnings as % of beginning shareholder's equity	10.4%	10.8%
Ratio of earnings to fixed charges	1.98	1.95



MD&C top management

MANAGEMENT LETTER

We are pleased to report substantial progress for MDFC during 1977. Major achievements include a significant increase in the financing and leasing of equipment other than commercial aircraft and the placement of long-term debt without the necessity of direct or indirect repayment guarantees by MDFC's parent corporation.

These accomplishments were made possible by years of preparatory effort which strengthened our ability to lease a wide variety of capital equipment and to diversify our portfolio by leasing to a broad range of lessees in industries other than the airline industry. In 1977, we were able to increase volume in the non-aircraft equipment leasing segment of our business to a new high of \$39.0 million, as compared to a volume of \$20.9 million in 1976.

The wide variety of lease terms offered by MDFC in 1977 demonstrates the corporation's determination to provide flexible financing that is tailored to the needs of each customer. This concern with the customer's requirements is important to our growth, and we are pleased by the ability of our people to put it into practice.

During the year, MDFC took advantage of favorable conditions in the long-term and medium-term debt markets to place fixed-rate term debt of \$59 million,

including \$34 million of 15-year debt to institutional investors and \$25 million in five-year debt to banks. Both debt issues were based on MDFC credit with no repayment support from the parent corporation — an achievement which MDFC has anticipated since its inception in order that its long-term growth can be planned based upon its ability to raise the necessary capital solely on its own credit.

Another significant development in 1977 was the purchase of a number of McDonnell Douglas DC-9 aircraft for lease on terms which permit the airline to terminate under certain conditions before the expiration of the full term. This lease was suitably structured to furnish adequate protection to MDFC while at the same time responding to the needs of McDonnell Douglas and the airline. Leases of the DC-9s contributed a substantial part of our 1977 aircraft financing total of \$78 million, which was more than double 1976's \$35 million.

Commercial paper continued to be attractive in 1977 and MDFC utilized this market extensively as a way of keeping short-term borrowing costs at the lowest possible level.

J. T. For Millan
President

20 February 1978

DC-9-50 leased to Eastern Airlines by MDFC





MDFC has participated in financing Continental Airlines' purchase of DC-10s

Pakistan International Airlines' DC-10 financed in part by MDFC



AIRCRAFT FINANCING

LEASING

Each aircraft lease is a multimillion dollar transaction, and the completion of an agreement acceptable both to the owner of the aircraft and to the user airline requires extensive negotiation and considerable expertise. In the past few years, MDFC has established this in-house capability and has negotiated and participated in leveraged leases as both a lender and equity participant as well as acting as sole lessor and in partnership with other lessors.

The purchase and lease of DC-9 jetliners was the largest single element in MDFC's volume of business in 1977. The leases included both partnership leases and leases funded by MDFC alone and involved both foreign and U.S. customers.

OTHER AIRCRAFT FINANCING

In 1977, as in past years, substantial efforts were expended in arranging satisfactory debt financing for the purchase by airlines around the world of DC-9 and DC-10 commercial transport aircraft from McDonnell

Douglas Corporation. This is one of MDFC's basic responsibilities and often involves a major effort even when MDFC does not participate in the financing.

EQUIPMENT LEASING

GROWTH

As part of its diversification effort, MDFC has pursued aggressively the business of leasing equipment other than commercial aircraft to industries other than airlines. As of 31 December 1977, MDFC had leased equipment to 72 customers representing 25 major industry groups engaged in such varied activities as the manufacture of paper and allied products, mining, transportation services, power generation (utilities), restaurant operation, ground transportation, water transportation, communications, and banking.

The \$39 million of such equipment leased in 1977 was 33% of MDFC's total financing activity and, at year-end, this equipment leasing segment represented 19% of MDFC's total financing portfolio. Since initiating



Mobile post-hole digging equipment leased to Orange and Rockland Utilities, Inc.



MDFC and ITTEL personnel examine data processing equipment financed by MDFC



Data processing equipment leased to Portland General Electric Company



Enclosed 2-level truck rack leased to the Chicago-Milwaukee Railroad



Equipment leasing and financing group



Offshore drilling platform leased by MDFC to Progress Marine

this diversification effort in 1973, MDFC has purchased and placed under lease approximately \$107 million of such capital equipment.

FLEXIBILITY

MDFC's substantial financial strength and long experience in complex aircraft leasing and other equipment leasing enables it to provide flexible, tailored financing suited to the needs of each customer. Also, MDFC has been able to provide financing for products and services offered by other divisional companies within McDonnell Douglas Corporation, including the Hospital Communication and Information System program of McDonnell Douglas Automation Company.

MARKETING

To expand our equipment leasing capability, MDFC opened a regional marketing office in San Francisco

and plans to open additional regional offices in 1978 in Chicago and New York. These offices should permit close contact with — and improved service for — both present and prospective customers. As another means of offering the best leasing arrangements to our customers, we continually study the value of capital equipment in various industries. This enables us to provide more attractive lease rates for certain types of equipment through a better understanding of the economic life of the equipment.

Equipment now being leased by MDFC includes mining and railroad equipment, trailers and trucks, computers, textile equipment, equipment for manufacturing paper products, and equipment used by retail and wholesale firms.

COMMITMENT TO DIVERSIFICATION

MDFC is committed to encouraging substantial growth in the equipment leasing segment of its business. This growth will be based on MDFC's leasing expertise, financial capability, and its concept of service to its customers by providing flexible financing suited to the individual customer's needs.

MDFC HISTORICAL SUMMARY

YEARS ENDED 31 DECEMBER	1977	1976	1975	1974	1973
1. Operating income	\$ 38,345,474	\$ 37,912,302	\$ 36,751,454	\$ 35,597,776	\$ 32,820,654
2. Earnings before income taxes	\$ 17,288,408	\$ 17,122,702	\$ 14,057,614	\$ 11,034,108	\$ 16,209,691
3. Net earnings	\$ 10,691,414	\$ 10,807,162	\$ 9,501,214	\$ 7,408,556	\$ 9,182,452
4. As % of beginning shareholder's equity . . .	10.4%	10.8%	9.7%	7.7%	9.8%
5. Ratio of earnings to fixed charges	1.98	1.95	1.71	1.51	2.14
6. Dividends paid	\$ 8,000,000	\$ 8,000,000	\$ 7,000,000	\$ 5,500,000	\$ 6,800,000
7. Volume of new business	\$117,281,345	\$ 56,149,213	\$ 79,691,938	\$114,243,486	\$ 77,885,244
FINANCIAL POSITION ON 31 DECEMBER					
8. Net investment in finance receivables . . .	\$375,985,244	\$379,100,692	\$379,784,962	\$364,380,902	\$314,509,193
9. Total assets	\$455,486,511	\$400,262,313	\$409,338,036	\$402,152,229	\$337,011,124
10. Short-term notes payable	\$ 69,000,000	\$ 69,150,000	\$ 83,726,000	\$125,028,000	\$ 77,000,000
11. Senior long-term debt	\$181,106,520	\$140,917,700	\$141,040,060	\$101,162,420	\$100,000,000
12. Subordinated debt	\$ 4,866,864	\$ 6,244,554	\$ 7,527,172	\$ 7,660,352	\$ 6,262,379
13. Shareholder's equity	\$105,951,962	\$103,260,548	\$100,453,386	\$ 97,952,172	\$ 96,043,616

CONSOLIDATED STATEMENT OF EARNINGS AND EARNINGS RETAINED FOR GROWTH

YEARS ENDED 31 DECEMBER	1977	1976
Operating income		
Earned interest and discount on notes receivable	\$21,151,333	\$21,569,433
Income from leases:		
Sales-type and direct financing leases	13,281,533	12,309,739
Operating leases, net of related depreciation (1977 - \$1,672,447).	738,613	-0-
Amortization of investment tax credit on leased equipment . .	1,931,745	1,215,031
Gain on disposal of leased equipment	537,111	2,908,396
Other, net - Note F	705,139	(90,297)
	<u>38,345,474</u>	<u>37,912,302</u>
Costs and expenses		
Interest and debt expense - Note D:		
McDonnell Douglas Corporation	134,174	(576,004)
Long-term	13,211,790	12,492,122
Other	4,324,440	5,501,231
Provision for doubtful receivables	1,137,142	1,271,806
Operating expenses	2,249,520	2,100,445
	<u>21,057,066</u>	<u>20,789,600</u>
EARNINGS BEFORE INCOME TAXES	<u>17,288,408</u>	<u>17,122,702</u>
Provision for taxes on income - Note E	6,596,994	6,315,540
NET EARNINGS	<u>10,691,414</u>	<u>10,807,162</u>
Earnings retained for growth at beginning of year	23,260,548	20,453,386
Cash dividends	(8,000,000)	(8,000,000)
EARNINGS RETAINED FOR GROWTH AT END OF YEAR	<u>\$25,951,962</u>	<u>\$23,260,548</u>

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	31 DECEMBER 1977	31 DECEMBER 1976
ASSETS		
Cash	\$ 5,948,300	\$ 5,200,971
Certificates of deposit	-0-	7,500,000
Investment in finance receivables - Notes A and B:		
Sales-type and direct financing leases:		
Minimum lease payments	253,281,528	231,512,563
Estimated residual values	18,148,703	15,063,310
Less unearned income	(65,170,680)	(59,104,628)
	<u>206,259,551</u>	<u>187,471,245</u>
Notes receivable:		
Principal	192,009,885	218,872,429
Accrued interest.	4,045,289	4,026,973
Less unamortized discount	(17,152,707)	(22,583,464)
	<u>178,902,467</u>	<u>200,315,938</u>
	385,162,018	387,787,183
Less allowance for doubtful receivables	(9,176,774)	(8,686,491)
NET INVESTMENT	<u>375,985,244</u>	<u>379,100,692</u>
Investment in operating leases - Equipment cost, net of accumulated depreciation - Note C	61,420,494	-0-
Advances on equipment to be leased	2,295,232	-0-
Accounts with McDonnell Douglas Corporation	202,387	-0-
Deferred debt expenses	1,417,198	1,341,412
Other assets - Note D	8,217,656	7,119,238
	<u>\$455,486,511</u>	<u>\$400,262,313</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Short-term notes payable (commercial paper) - Note D	\$ 69,000,000	\$ 69,150,000
Accounts with McDonnell Douglas Corporation	-0-	1,995,171
Accounts payable and accrued expenses	3,830,009	1,032,219
Refundable deposits and advance rentals on leases.	3,469,876	2,367,234
Deferred federal and state taxes on income	73,319,430	67,612,168
Deferred investment tax credit.	13,941,850	7,682,719
Long-term debt - Note D:		
Senior.	181,106,520	140,917,700
Subordinated	4,866,864	6,244,554
TOTAL LIABILITIES	<u>349,534,549</u>	<u>297,001,765</u>
Shareholder's equity		
Common stock - par value \$100 per share:		
100,000 shares authorized		
50,000 shares issued and outstanding	5,000,000	5,000,000
Capital in excess of par value.	75,000,000	75,000,000
Earnings retained for growth	25,951,962	23,260,548
	<u>105,951,962</u>	<u>103,260,548</u>
	<u>\$455,486,511</u>	<u>\$400,262,313</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED 31 DECEMBER

Funds provided by

Operations:

	1977	1976
Net earnings	\$ 10,691,414	\$ 10,807,162

Non-cash charges:

Deferred income taxes and investment tax credit	11,966,393	1,776,258
Provision for doubtful receivables	1,137,142	1,271,806
Amortization of deferred debt expenses.	238,104	208,299
Depreciation expense	1,672,447	-0-
Equity in loss from real estate partnership	-0-	570,274

TOTAL FROM OPERATIONS

Liquidation of notes and leases receivable.	49,568,253	47,996,680
Liquidation of predelivery notes	2,052,626	-0-
Proceeds from:		
Long-term debt	59,000,000	-0-
Disposition of notes and leases receivable	5,211,006	9,528,638
Decrease (increase) in:		
Cash	6,752,671	(697,089)
Other, net	1,822,949	(395,233)
	\$150,113,005	\$ 71,066,795

Funds used for

Acquisition of notes and leases receivable	\$ 54,188,404	\$ 56,149,213
Acquisition of equipment on operating leases	63,092,941	-0-
Acquisition of predelivery notes - net	-0-	2,052,626
Retirement of long-term debt	20,188,870	1,404,978
Decrease in short-term debt	150,000	14,576,000
Dividends	8,000,000	8,000,000
Increase in advances on equipment to be leased	2,295,232	-0-
Accounts with McDonnell Douglas Corporation	2,197,558	(11,116,022)
	\$150,113,005	\$ 71,066,795

See notes to consolidated financial statements.

REPORT OF ERNST & ERNST, INDEPENDENT AUDITORS

McDonnell Douglas Finance Corporation, Long Beach, California

We have examined the consolidated balance sheet of McDonnell Douglas Finance Corporation (a wholly-owned subsidiary of McDonnell Douglas Corporation) and subsidiaries as of 31 December 1977 and 1976, and the related consolidated statements of earnings and earnings retained for growth and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of McDonnell Douglas Finance Corporation and subsidiaries at 31 December 1977 and 1976, and the consolidated results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Los Angeles, California
19 January 1978

Ernst & Ernst
E&E

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 1977 and 1976

A. Summary of Accounting Policies

Relationship with Parent Company. McDonnell Douglas Finance Corporation (MDFC) is a wholly-owned subsidiary of McDonnell Douglas Corporation (MDC). MDFC purchases from MDC aircraft notes receivable and aircraft for lease to others. MDC has agreed to make such payments to MDFC as may be required to cause MDFC's "net earnings available for fixed charges" for each fiscal year, commencing with the year ended 31 December 1975, to be 1½ times its "fixed charges" for such year (as such terms are defined in Section 81(2) of the New York Insurance Law). The obligation of MDC to make such payments is not for the benefit of any person other than MDFC, MDC and the holders of the 9¾% Guaranteed Notes Due 1981, and expires upon payment in full of all such Notes. No payments have been required to be made under this agreement.

Principles of Consolidation. The consolidated financial statements include the accounts of MDFC and its subsidiaries: McDonnell Douglas Export Finance Corporation, MDFC Equipment Leasing Corporation and McDonnell Douglas Overseas Finance Corporation. In consolidation, intercompany items and transactions are eliminated.

Recognition of Income. Airline notes receivable are purchased from MDC at discounts which are amortized over the lives of the respective notes by the effective rate of interest method. Under this method the total interest plus discount amortization is equal to an amount computed by multiplying the declining discounted value of each note by the fixed effective interest rate of such note.

Sales-type and direct financing leases are accounted for by recognizing as earned income the excess of aggregate rentals over the cost (reduced by estimated residual value at the termination of the lease) of the leased equipment during the term of the lease at an approximately level rate of return on the unrecovered investment computed without regard to the effects of federal income tax deferrals.

Rental equipment under operating leases is recorded at cost and depreciated over the useful life on the 150% declining balance method.

Income Taxes. The operations of MDFC and its subsidiaries are included in the consolidated federal income tax returns of MDC. MDFC currently credits or charges MDC for the corresponding increase or decrease in MDC's taxes resulting from such inclusions, but payments between the companies are made when such taxes are due or tax credits are realized by MDC. Those amounts applicable to timing differences between recorded and taxable earnings are reflected as deferred taxes.

Provisions for taxes on income are computed at current tax rates on recorded earnings, adjusted for items whose income tax treatment creates a permanent difference between taxable and recorded earnings (see Note E).

Investment tax credits on leased equipment are deferred and amortized over the original terms of leases on a basis corresponding to the method of recognizing income from leases and are included in the statement of earnings as operating income.

B. Receivables

Gross receivables at 31 December 1977 were due from 14 domestic airlines, \$131,769,095; 26 foreign airlines, \$209,171,573; and 73 customers in other industries, \$108,396,034.

Receivables from foreign customers generated operating income by geographic areas as follows: North America, \$2,707,480; Europe, \$9,887,484; Asia, \$1,198,074; the Pacific Islands, \$2,373,350; and other, \$473,129.

At 31 December 1977, \$42,052,962 (1976 - \$49,224,492) of airline notes receivable had collection rights subordinated to other creditors.

The scheduled aggregate amounts of principal payments on notes receivable and installments on sales-type and direct financing leases receivable, in thousands of dollars, are as follows: 1978, \$68,985; 1979, \$79,930; 1980, \$67,031; 1981, \$58,875; 1982, \$46,595; after 1982, \$123,875.

Residual values at the end of lease terms were estimated to be \$18,148,703 at 31 December 1977 (1976 - \$15,063,310) on sales-type and direct financing leases having an original equipment cost of \$340,383,651 (1976 - \$298,335,445).

Included in investment in sales-type and direct financing leases are leveraged leases in the net amount of \$1,550,567. In addition, investment in sales-type leases at 31 December 1977 includes \$13,494,771 (1976 - \$16,307,013) net of related non-recourse installment notes amounting to \$30,533,347 (1976 - \$37,017,492). Since MDFC has no general obligation on the notes, they have been offset against the related leases receivable.

C. Investment in Operating Leases

Investment in operating leases consists of commercial aircraft with a cost of \$63,092,941 less accumulated depreciation of \$1,672,447. The amounts of minimum rental payments to be received under non-cancellable leases are \$9,745,025 in 1978; and \$6,334,245 in 1979.

D. Credit Agreements and Long-Term Debt

Commercial paper is issued from time to time at interest rates and maturities dictated by the market

and at 31 December 1977 amounted to \$69,000,000 (1976 - \$69,150,000). Commercial paper is backed by any unused portion of the revolving credit agreement referred to below and by \$35,000,000 stand-by lines of credit with certain banks for which MDFC pays a fee on the amount of the total commitment at an annual rate of approximately 9% of the banks' prime rate. Under its various agreements with its banks, MDFC may not issue commercial paper in excess of the aggregate amount of unused bank credit lines.

Senior long-term debt consists of the following:

	31 December 1977	31 December 1976
Bank loan due through 1980	\$ 81,250,000	\$100,000,000
8½% bank loan due 1982	25,000,000	-0-
9¾% Guaranteed Notes		
Due 1981	40,000,000	40,000,000
9% notes due from 1983		
through 1992	34,000,000	-0-
8¾% notes due through 1984	856,520	917,700
	<u>\$181,106,520</u>	<u>\$140,917,700</u>

The bank loan due through 1980 bears interest at a rate equal to 1.141 times the sum of the prime rate plus ½ of 1%. If this loan is not prepaid and principal and interest are paid in accordance with the terms of the notes, the aggregate amount of interest paid in excess of 8% per annum will be refunded at the termination of the loan. The discounted value of this excess as of 31 December 1977 was \$6,805,785 (1976 - \$6,224,253) and is included in other assets.

Subordinated long-term debt consists of notes due in quarterly installments of principal and interest to 1982.

The aggregate amount of long-term debt maturities for the five years ending 31 December 1982 are as follows: 1978, \$32,912,695; 1979, \$26,711,345; 1980, \$26,530,708; 1981, \$40,476,036; 1982, \$25,159,059.

Under a revolving credit agreement, MDFC can borrow through 30 September 1978 a maximum of \$100,000,000 on unsecured notes of ninety days or less at an interest rate of 1.09 times the prime rate in effect at the beginning of each borrowing. MDFC is also required to pay a commitment fee of ½ of 1% on the unused commitment. At the option of MDFC, the notes are convertible at 30 September 1978 into term notes payable in equal quarterly principal installments through 30 September 1981. There were no borrowings under the agreement as of 31 December 1977.

The provisions of various credit and debt agreements require MDFC to maintain a minimum net worth, restrict indebtedness and limit cash dividends and other distributions. Under the most restrictive provision, \$10,749,243 was available for dividends at 31 December 1977.

E. Income Taxes

The provision for taxes on income was at an effective tax rate that differs from the United States corporate tax rate. Details relating to the provision for taxes are as follows:

	1977	1976
Tax computed at federal statutory rate	\$8,298,436	\$8,218,897
Provision for state income taxes net of federal income tax benefits	(335,500)	372,239
Tax effect of DISC tax exempt income	(438,706)	(1,456,380)
Capital gains adjustment and tax rate differential on timing differences	-0-	(236,001)
Effect of investment tax credit included in earnings before income taxes	(927,236)	(583,215)
	<u>\$6,596,994</u>	<u>\$6,315,540</u>

No provisions for federal income taxes are made on DISC (Domestic International Sales Corporation) income that is expected to be reinvested and remain tax exempt. The cumulative amount of undistributed DISC income is \$10,866,167 at 31 December 1977 (1976 - \$9,952,196).

The income tax payable or receivable for each year may be materially different from the provision for that year, as detailed below:

	1977	1976
Current taxes payable (receivable)	(\$8,754,993)	\$3,324,251
Deferred taxes	6,691,538	615,351
Investment tax credit deferred for financial reporting purposes	8,660,449	2,375,938
Total provision	<u>\$6,596,994</u>	<u>\$6,315,540</u>

Deferred taxes, which provided for timing differences between financial and tax reporting, were primarily related to the difference between the financing method of recording lease income and the operating method with accelerated depreciation which is used for tax reporting.

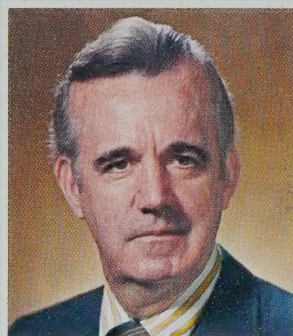
F. Other Income or (Deductions), Net

Other, net includes the following:

	1977	1976
Commitment, termination and other fees	\$100,983	\$ 81,177
Other interest income	604,156	398,800
Equity in loss from real estate partnership	-0-	(570,274)
	<u>\$705,139</u>	<u>(\$ 90,297)</u>

G. Commitments

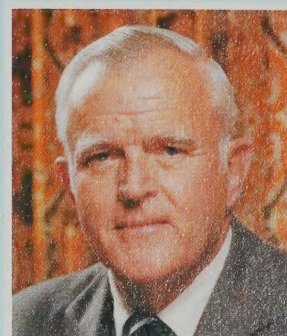
MDFC had commitments outstanding to provide future financing in the aggregate amount of \$88,691,000 at 31 December 1977 (1976 - \$28,037,000).



JAMES T. MCMILLAN



JOHN F. MCDONNELL



EDWIN S. JONES

MANAGEMENT

JAMES T. MCMILLAN

President

DAVID E. SEDGWICK

Senior Vice President

JOHN H. GENTLING

Vice President-International Services & Industry Affairs

SIDNEY J. GRIFFITH

Vice President-Secretary & Assistant to the President

THOMAS J. LAWLOR, JR.

Vice President-Fiscal

GEORGE M. ROSEN

Vice President-Operations-Domestic

DONALD V. BLACK

Director-Commercial Industrial Financing

DUANE J. GROBMAN

Director-Leasing and Domestic Aircraft Financing

CHARLES K. JOHNSON

Chief Counsel & Assistant Secretary

MODESTO MATARRESE

Director-Strategic Planning

THOMAS C. MOORE

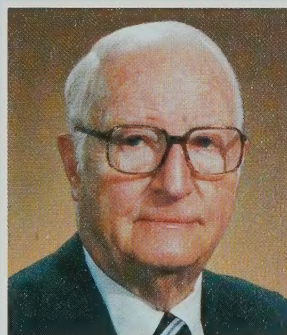
Controller

THOMAS J. MOTHERWAY

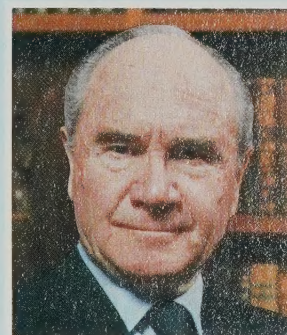
Director-Commercial Aircraft Financing

ROBERT W. OWSLEY

Treasurer



JOHN D. LOCKTON



JAMES S. MCDONNELL

BOARD OF DIRECTORS

JOHN F. MCDONNELL

Executive Vice President, McDonnell Douglas Corporation;
Chairman, McDonnell Douglas Finance Corporation

JAMES T. MCMILLAN

President, McDonnell Douglas Finance Corporation;
Corporate Vice President, McDonnell Douglas Corporation

EDWIN S. JONES

Chairman of the Executive Committee,
First Union Bancorporation, St. Louis; Chairman of the
Executive Committee, First National Bank in St. Louis

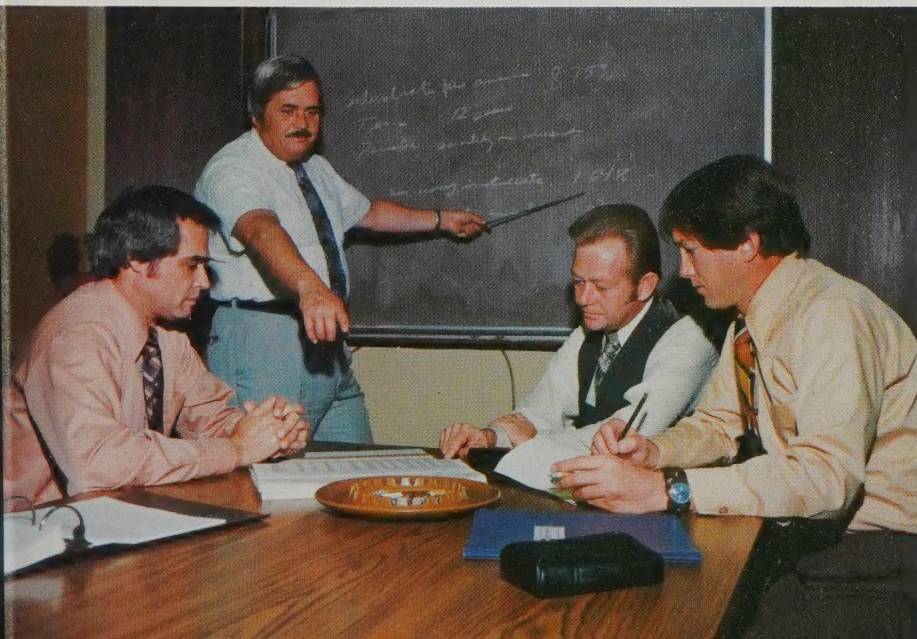
JOHN D. LOCKTON

Retired Vice President & Treasurer, General Electric Co.;
Retired Vice Chairman of the Board, General Electric
Credit Corporation

JAMES S. MCDONNELL

Chairman, McDonnell Douglas Corporation

Fiscal management staff



Operations management personnel



MDFC's volume of business in 1977 involved

- 67% *COMMERCIAL AIRCRAFT*
- 33% *OTHER EQUIPMENT*



MDFC's customers are engaged in

- *Air Transportation*
- *Communications*
- *Ground Transportation*
- *Manufacture of Paper Products*
- *Mining*
- *Transportation Services, and*
- *20 Other Major Industries*

MCDONNELL DOUGLAS



FINANCE CORPORATION

3855 LAKEWOOD BOULEVARD, LONG BEACH, CALIFORNIA 90846

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